Performance-Based Funding Score Card
Fiscal Year 2019-2020

HENDERSON COMMUNITY COLLEGE

What is Performance-Based Funding?

The performance-based funding model is detailed in Senate Bill 153 and started in 2017-2018. Five percent of state allocation funding was initially tied to performance-based funding metrics established in this bill with the expectation that the funding level distributed would increase in following years. Expectation is state appropriation funding (other than funding tied to mandated programs or debt services on bonds) will be distributed through performance funding.

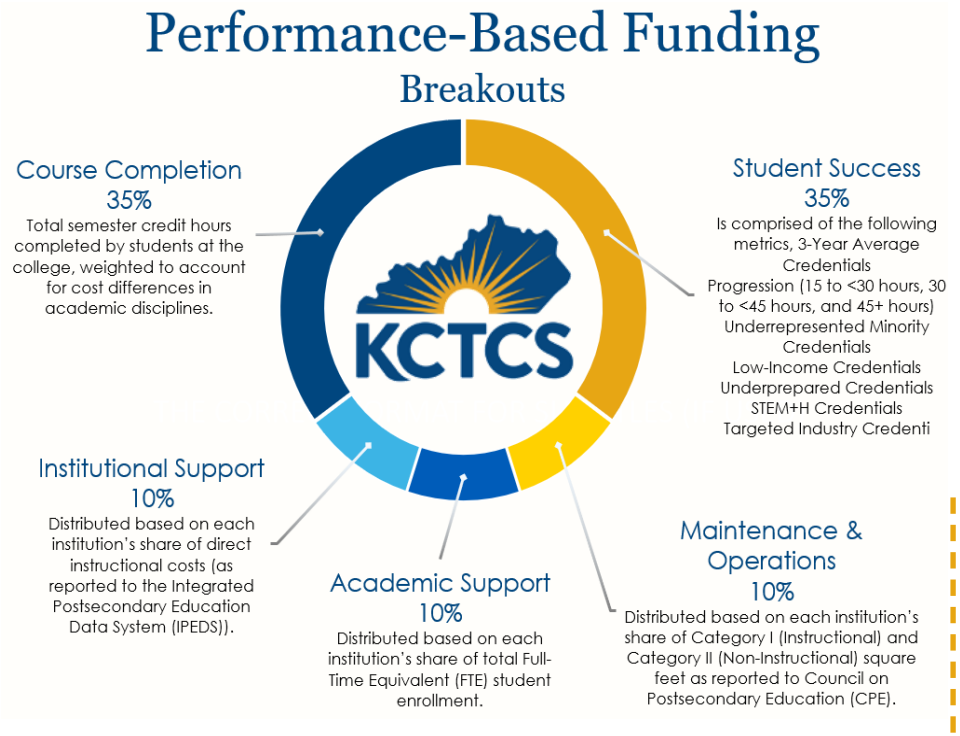
Senate Bill 153 established two formulas based on performance metrics that determines the funding distribution. The first formula distributes funding allocations for public 4-year institutions, and the second formula determines funding allocations for the 2-year colleges of the Kentucky Community and Technical College System. The metrics for these models fall into three main categories: 35% Student Success, 35% Course Completion, and 30% Operational Components.

How does this data impact my budget?

In order to plan annual budgets and use approved final data, performance funding distribution for Four-Year Universities and KCTCS are calculated using the last complete academic year outcomes. In preparing the budgets, performance funding distribution for colleges and universities is calculated using data and performance outcomes from the academic year two years prior to the current academic year. For example, 2018-19 budget is based on 2016-17 academic year data.

What is a college score card?

A score card is the detailed look at your college's data performance-based funding model with analysis to show reductions or increases in funding.



The years the data represents

Metrics	2015-16		2016-17		Change in % of Funding
	Number	% Of Funding	Number	% Of Funding	
Transfer	693	5.5%	665	5.0%	▼ - 0.5%

This is a count or calculation of the data.

Each metric is a part of the overall funding model and has its own percentage of the funding model. This column is your college's percentage of the KCTCS' total of that particular metric.

The Change in % of Funding column clarifies the percentage point change from one year to the next. Funding availability is dependent upon the total amount allocated each year. Green reflects possible increases in percentage of the total funding awarded for the metric while red reflects a decrease in the percentage received of total funding.

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CREDENTIALS

Metrics	2016-17		2017-18		Change in % of Funding
	Number	% of Funding	Number	% of Funding	
3-Year Weighted Average (10%)	1,209.3	1.9%	1,197.7	1.8%	▼ - 0.1%
High-Wage High-Demand (1%)	218	2.5%	123	1.1%	▼ - 1.4%
Low-Income (2%)	362	1.6%	351	1.5%	▼ - 0.1%
Targeted Industry Sectors (2%)	390	1.6%	379	1.4%	▼ - 0.2%
STEM+H (2%)	244	2.0%	261	2.1%	▲ 0.1%
Underrepresented Minority (URM) (2%)	63	1.7%	69	1.7%	0.0%
Underprepared (2%)	123	1.1%	125	1.2%	▲ 0.1%

DEFINITIONS:

3-Year Weighted Average: Three-year average number of earned credentials by awarding college (certificates, diplomas, and associate degrees). Weighted by credential level. Weights: Awards of less than 1 academic year (Certificate < 1 Year) =1.0; (Certificate 1+ years, Diploma 1+ years)=2.0; Associate Degree =4.0. Note: Prior to 2016-17, certificates & diplomas were not reported by length of time to attain.

High-Wage High-Demand: Credentials awarded (with the required credential level) tied to occupations that are high-wage, high-demand. High wage is defined as a median annual wage that is greater than or equal to the wage at the 75th percentile for all occupations in the state of Kentucky; high demand is defined as growth greater than or equal to the projected percent change for all Kentucky occupations or 100+ average annual job openings. These programs are updated annually based on the Kentucky Center for Statistics (KY-STATS) Kentucky Occupational Outlook and annual Occupational Employment Statistics (OES) wage data.

Low Income: Credentials awarded to low-income students (Pell recipient at any KCTCS college in any academic year [AY] between 2005-06 and the AY the credential(s) was awarded).

Targeted Industry Sectors: Credentials awarded in academic plans that crosswalk to occupations with education requirements of an associate or less in targeted industry sectors (Healthcare; Manufacturing; Transportation, Distribution & Logistics; Information Technology, Business, & Finance; and Construction).

STEM+H: Credentials awarded in STEM+H disciplines (as defined by CPE). STEM +H is science, technology, engineering, mathematics, and health care.

Underrepresented Minority (URM): Credentials awarded to URM students (American Indian or Alaska Native, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, and Two or more races).

Underprepared: Credentials awarded to underprepared students (students who tested into developmental English, math, or reading as a first-time, credential-seeking student / transfer since 2010-11).

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Progression

Metrics	2016-17		2017-18		Change in % of Funding
	Number	% of Funding	Number	% of Funding	
15 to <30 (2%)	239	1.7%	281	2.0%	▲ 0.3%
30 to <45 (4%)	176	1.9%	167	1.8%	▼ - 0.1%
45+ (6%)	192	2.0%	172	1.7%	▼ - 0.3%

Transfer

Metrics	2016-17		2017-18		Change in % of Funding
	Number	% of Funding	Number	% of Funding	
Transfer (2%)	192	1.5%	259	1.9%	▲ 0.4%

Course Completions

Metrics	2016-17		2017-18		Change in % of Funding
	Number	% of Funding	Number	% of Funding	
Course Completion (35%)	30,131.7	2.0%	30,174.9	2.0%	0.0%

Operational Support

Metrics	2016-17		2017-18		Change in % of Funding
	Number	% of Funding	Number	% of Funding	
Institutional Support (10%)	5,449	2.3%	5,104	2.2%	▼ - 0.1%
Academic Support (10%)	904.1	2.0%	927.3	2.1%	▲ 0.1%
Maintenance & Operations (10%)	204,807.0	3.0%	208,243.0	3.0%	0.0%

Definitions

Progression: Number of students reaching or surpassing 15, 30, or 45 cumulative earned credits in a given academic year by home college. Earned credits are defined by awarded grades of A, B, C, D, or P from Fall 2005 through current term. Students are only counted in the highest progression bucket within the academic year.

Transfer: Transfers in an academic year calculated based on a cohort of students enrolled at KCTCS in the prior academic year who enrolled at a four-year institution between the term end date of their maximum KCTCS enrollment term in the prior academic year through June 30th of the academic year. Exclusions: students who re-enrolled at KCTCS in the academic year, students who enrolled at a non-KCTCS, non-four year institution within the noted timeframe prior to the four-year institution, and students who were previously reported as a four-year transfer (from 2008-09 through current).

Course Completions: Credit Hours passed (weighted by 2-digit CIP code) within the academic year by delivering college. Passing grade is defined by A, B, C, D, & P. Weights: Low-Cost Program Areas=1.0; Medium-Cost Program Areas=1.5; High-Cost Program Areas=2.0

Institutional Support - Direct Cost Share: Distributed based on each institution's share of direct instructional costs per fiscal year (as reported to Integrated Postsecondary Education Data System [IPEDS]).

Academic Support - Annual Year Full-time Equivalency: Distributed based on each delivering institution's share of total Full-Time Equivalent student enrollment. Full-Time Equivalent calculation: Sum of the total credit hours taken by a student divided by 30.

Maintenance & Operations - Square Feet: Distributed based on each institution's share of Category I (Instructional) and Category II (Non-Instructional) square feet as reported to Kentucky Council on Postsecondary Education (CPE).

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To impact the model, where should you begin?

When one looks at the model in a holistic way, it is best to consider the objectives of the legislature enacting the bill for performance-based funding. With Senate Bill 153, the model for public 2-year institutions focuses on rewarding colleges in promoting student success (35%), increasing course completion (35%), and additional funding based on operational needs (30%).

Weight Course Completion makes up the largest piece of the pie, by increasing student pass rates for courses in high-cost program areas, the college has the greatest potential to impact their funding.

Promoting Credit Progression (12%): The next area of focus should be course progression. Helping students make academic progress not only increases the chance of students successfully earning credentials (which may impact up to 7 metrics and 21% of the model) but will also impact the progression metric. Guiding students in their academic pursuits increases opportunities for additional funding amounts.

The Big Ten (4x10%): Four more metrics make up 40% of the model: 3-year weighted average credentials, institutional support, academic support, and maintenance & operations. Two of these are student measures. The 3-year weighted average credentials refers to how many credentials are awarded by level of credential.

What are some additional considerations?

Three of the measures are focused specifically on credentials awarded in specialized majors: Targeted Industry Sectors (TIS), STEM+H, and High Wage High Demand (HWHD) fields. For 2017-18, HWHD included 27 majors, TIS had 62 majors, and STEM+H included 50 majors. Ten majors overlapped between the three lists. The overlaps were found in Advanced Manufacturing (150399, 150499, 150613, 410301) and Healthcare (510602, 510803, 510806, 510907, 510910, and 51099). Encouraging students to earn credentials in these highly sought-after majors benefits Colleges substantially.

Data Quality: Making the Most of the Numbers You Already Have

The quickest, easiest, and least expensive method for impacting performance metrics is accurately and efficiently tracking student data. When striving for a larger slice of the pie, it is easy to focus on initiatives at the expense of the basics: timely and correct data collection and data entry.

Case Studies in Data Quality

Optimizing data collection and entry begins with PeopleSoft. Data must be entered in its entirety and in line with system-wide guidelines. The negative impact of incomplete data can be demonstrated through the “underprepared” metric. There are often student records with incomplete or inaccurate ACT scores. If test scores are not entered in their entirety (i.e., the score for each subsection as well as the composite score), students cannot be counted in the underprepared metric. Colleges may have underprepared students who are progressing successfully at the College, but that success will not be reflected in performance-based funding metrics.

Timeliness is the next most important factor in optimizing data quality. If grades are not entered on time (i.e., prior to each Snapshot Date), then those grades may not be included in certain performance metrics. This means that some student success may go unrewarded. And, some students who are struggling may not be identified, and thus may not receive targeted support until a later term. The necessity of meeting Snapshot Dates and other data deadlines is further demonstrated when large scale changes to student records are found after data entry deadlines. For example, if students have dropped courses, but these changes are not reflected in their records until after a Snapshot, this will have a ripple effect through the entire model. While College enrollment numbers may appear slightly inflated, those modifications to student records after Snapshot will cause progression and weighted course completion metrics to suffer due to blank or incomplete grades--negatively impacting a combined 47% of the entire performance-based funding.

Meeting data entry deadlines and refining data collection will improve data quality and help with performance-based funding. More importantly, optimizing data quality will guarantee the College has the most up-to-date and actionable information available to support students from application to graduation.